



Environmental Services Division
Energy and Waste Management Bureau

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HEATING PRICES DROP, GASOLINE PRICES RISE IN THE NEW YEAR

DES MOINES — A warmer than expected beginning to winter led to across-the-board decreases in heating fuel prices in the new year. “The drop in heating fuel prices is probably temporary, however,” said Jennifer Moehlmann, energy data analyst for the Iowa Department of Natural Resources. “Prices are expected to rise again with the colder weather.”

On Jan. 18, natural gas was trading at \$6.14/MMBtu, \$0.70 lower than last month and five percent above the price of natural gas at this time last year (\$5.83/MMBtu). Natural gas bills are still expected to average up to 29 percent higher this winter. Approximately 67 percent of Iowans heat their homes with natural gas.

According to the DNR’s Jan.18 fuel price survey, the average retail price of propane was \$1.24 per gallon, \$0.03 lower than the previous month and 14 percent above the retail price of propane at this time last year (\$1.09 per gallon). Propane prices are forecast to average 20 percent higher this winter than last. Roughly 15 percent of Iowans use propane for heating their homes.

The survey reported the average retail price of No. 2 heating oil was \$1.56 per gallon, \$0.04 lower than last month and 31 percent above the price of heating oil at this time last year (\$1.19 per gallon). Heating oil prices are expected to rise the most of all heating fuels, averaging 34 percent higher than last winter. Heating oil is used to heat about 2 percent of Iowa homes.

With fuel price volatility here to stay, investing in energy efficiency measures for your home is a smart choice.

Consumers can decrease their heating bills by following a few easy steps provided by the U.S. Department of Energy:

- 1) Check for leaks. On a windy day, hold a lit candle near windows, doors, plumbing, ducting and wiring. If the smoke starts blowing sideways, you've got a leak. Cut off the air-flow by taping clear plastic sheeting to the insides of windows, weather stripping doors, and caulking around plumbing, ducting, and wiring leaks. Many power companies provide free home heat-loss inspections to try to identify problem areas.
- 2) Insulate, insulate, insulate. Put an insulating blanket around your hot-water heater and pipes. They'll lose heat slower and require less input from the furnace. Check the attic to see if your insulation is up to standards.
- 3) Regulate the temperature. Install a programmable thermostat so you can keep the house cool when nobody's home. You can set these devices so they start to heat things up again an hour or so before you're due back. Lower the setting when you go to bed.
- 4) Check for cold ducts. Look for sections of your heating ducts that have separated or have holes in them. Insulating ducts can make a big dent on energy bills.

Consumers are encouraged to implement energy efficient measures early on to result in long term savings. Widespread adoption also leads to less demand, which in turn lowers fuel prices. More tips are available at

www.EnergySavingTips.gov.

Crude oil prices increased after the New Year’s start, mainly on fears of inadequate heating oil supply and potential further OPEC production cuts. Crude finished trading on Jan. 14 at \$48.39 per barrel, \$4.19 more than last month. One year ago, crude was \$35.08 per barrel.

Gasoline prices across Iowa have followed the rise in crude oil. On January 15, the average price for a gallon of self-serve, regular unleaded gasoline was \$1.74. This was \$0.03 higher than last month and \$0.18 higher than this time last year.

The average price for regular unleaded gasoline blended with ethanol was \$1.73 per gallon. Ethanol-blended gasoline currently represents 69 percent of the market share. All auto manufacturers warrant the E-10 blend of 10 percent alcohol and 90 percent gasoline for use. Many manufacturers, including General Motors and Daimler-Chrysler, recommend the use of oxygenated fuels, such as ethanol, in their vehicles.

The average price of self-serve diesel fuel on Jan. 15 was \$1.93, down \$0.02 from last month. Diesel fuel was \$1.56 per gallon one year ago.

To help consumers improve fuel efficiency, the Iowa DNR has placed tips and information on fuel savings and alternative fuels on its Web site at www.iowadnr.com. Tips include driving more efficiently, keeping vehicles tuned up and planning and combining trips. Consumers can also choose ethanol at the pump, purchase E85 for flexible fuel vehicles and choose biodiesel blends for diesel vehicles.

Changes to the Gas Monitors Survey. Beginning with this issue, DNR will no longer report on full-serve prices or rural area averages. The data source for all gasoline and diesel prices has changed from the Department of Natural Resources' Gas Monitors Survey to the Oil Price Information Service.

HEATING FUELS SURVEY

	December 13	January 18	Change
Natural Gas	6.84	6.14	-0.70
Propane	1.27	1.24	-0.03
#2 Heating Oil	1.60	1.56	-0.04

Sources: Wall Street Journal, Iowa Department of Natural Resources

MOTOR FUELS SURVEY STATE AVERAGES

Self-Serve	December 15	January 15	Change
Regular Unleaded	1.71	1.74	+0.03
Regular Unleaded with Ethanol	1.69	1.73	+0.04
Premium Unleaded	1.81	1.83	+0.02
Diesel	1.95	1.93	-0.02

Source: Oil Price Information Service, www.opisnet.com

AVERAGE SELF-SERVE UNLEADED PRICES IN MAJOR CITIES

	December 15	January 15	Change
Ames	1.70	1.73	+0.03
Cedar Rapids	1.77	1.80	+0.03
Council Bluffs	1.63	1.76	+0.13
Davenport	1.74	1.78	+0.04
Des Moines	1.63	1.72	+0.09
Dubuque	1.72	1.78	+0.06
Fort Dodge	1.80	1.77	-0.03
Iowa City	1.79	1.82	+0.03
Sioux City	1.73	1.76	+0.03
Waterloo	1.66	1.69	+0.03
Webster City	1.83	1.81	-0.02
Average Metro Price	1.72	1.76	+0.04

Source: Oil Price Information Service, www.opisnet.com

WHOLESALE PRICES IN METROPOLITAN AREAS IN IOWA

Unleaded Gasoline	December 9	January 6	Change
Des Moines	1.14	1.18	+0.04
Dubuque	1.15	1.20	+0.05
Diesel Fuel	December 9	January 6	Change
Des Moines	1.23	1.23	None
Dubuque	1.23	1.23	None

Source: Oil Price Information Service, www.opisnet.com